



**Commodity Futures Trading Commission
International Symposium and Training on
Derivatives Products, Markets and Financial Intermediaries
October 16th
October 17 – 21, 2005
October 24th
Federal Reserve Bank of Chicago
230 South LaSalle Street, Chicago, Illinois 60604**

SUNDAY – OCTOBER 16, 2005

10:45 – 3:30

OPTIONAL PRE-PROGRAM ORIENTATION

Brunch at the Top of the John Hancock Building with a Chicago River and Lake Michigan Architectural Boat Tour - Assemble in the Hotel Lobby

MONDAY - OCTOBER 17, 2005

**CFTC/CHICAGO FED JOINT PLENARY SESSIONS ON:
Regulating the Changing Marketplace**

8:45 – 9:00

Registration

9:00 – 9:20

INTRODUCTIONS AND WELCOMING REMARKS:

Richard Lamm, Director, Financial Markets, Federal Reserve Bank of Chicago
Walter Lukken, Commissioner, CFTC
Michael Dunn, Commissioner, CFTC

9:20 - 9:45

The CFTC's Symposium in Today's World

Myra Silberstein, Senior Counsel, Office of International Affairs, CFTC
Richard Fung, Branch Chief, Division of Market Oversight, CFTC

9:45 – 11:15

PLENARY SESSION I – AN OXFORD STYLE DEBATE

Bring your own views to the table on the recent, highly publicized international policy discussions concerning the appropriate ownership and governance structure for clearing organizations and whether or not organized exchanges can be effective self-regulatory organizations.

PROPOSED: *Governments Should Prescribe the Composition of the Board of Directors of a For-Profit Derivatives Exchange.*

Moderator: John McPartland, International Clearing and Settlement Consultant

Debaters:

For: Mark Young, Esq., Partner, Kirkland & Ellis

Against: Jerrold E. Salzman, Esq., Partner, Freeman & Salzman

Commentator: Robert Wilmouth, Special Policy Advisor, National Futures Association

11:15–11:30

Coffee Break

11:30 – 12:00

**PLENARY SESSION II – U.S. Approach to Anti-Money Laundering and
Its Significance for Cross-Border Trading**

Speaker: William Langford, Associate Director for Regulatory Policy and Programs, Financial Crimes Enforcement Network, U.S. Department of the Treasury

12:00 - 1:30

Opening Luncheon

- 1:30 – 3:00 **PLENARY SESSION III – Power Markets: The Scandinavian Example**
- Presenters:** Erik Saers, Head, Market Conduct, Finansinspektionen, Sweden
 Knut Godager, Senior Advisor, Securities Markets Section, Kredittilsynet, Norway
 Bente Hagem, Executive Vice President, Statnett SF, Norway
- Commentator:** Christian Nadal, President, Electricite de France International North America, Inc.
- 3:00 - 4:15 **PLENARY SESSION IV – Strengthening Oversight - Part I: From the Perspective of the Regulators**
 Hear how regulators cope with cross-border markets and cross-border oversight. Learn what regulators think about when markets cross borders; how to identify cross-border risks and the strategies necessary to address them.
- Panelists:** Verena Ross, Head, Department for Market Infrastructure, UK Financial Services Authority
 Regina Schierhorn, Director, Market Manipulation and Investigations Division, Bafin, Germany
 Richard Shilts, Director, Division of Market Oversight, CFTC
- 4:15-4:30 Coffee Break
- 4:30 - 5:30 **PLENARY SESSION V – Strengthening Oversight - Part II: From the Perspective of the Markets**
 A discussion on how exchanges cope with cross-border markets and cross-border oversight. Learn how to identify cross-border risks and to develop the strategies necessary to address them.
- Panelists:** Thomas Lenz, Member of the Executive Board , Eurex, Frankfurt
 Nicholas Weinreb, Deputy Markets Secretary, Euronext Liffe, London
 Eric Wolff, Sr. Vice President Regulatory Affairs, Chicago Mercantile Exchange
- 5:30 - 7:00 Cocktail Reception - Federal Reserve Mezzanine

TUESDAY - OCTOBER 18, 2005

PRACTICAL EXERCISES IN ECONOMICS AND SURVEILLANCE

- 9:00 – 10:30 **Designing Commodity Futures Contracts to Avoid Manipulation**
 What are the essential prerequisites for success and why do contracts fail? This discussion will specifically emphasize how derivative contracts should be designed and monitored to render them not susceptible to manipulation.
- Presenter:** Dr. Michael Gorham, Director, Illinois Institute of Technology Center For Financial Markets, Stuart School of Business
- 10:30 – 10:45 Coffee Break
- 10:45 – 12:00 **Index Contracts – Special Issues Related to Index Construction**
 This session will address designing financial and commodity indexes to prevent manipulation.
- Presenters:** Thomas Leahy, Chief, Product Review Branch, Division of Market Oversight, CFTC
 David Blitzler, Managing Director, Quantitative Services, Standard & Poor's
- 12:00 – 2:00 Lunch – independent of the seminar
- 2:00 – 3:15 **The Use of Omnibus Accounts**
 This session will look at the value and oversight of omnibus accounts.
- Presenter:** Gary DeWaal, Group General Counsel, Fimat Group
- 3:15-3:30 Coffee Break
- 3:30-5:00 **Market Manipulation in Commodities – A Case Study in Detecting and Deterring Abuses**
 This session will focus on how a cash market manipulation affects the futures markets.
- Presenters:** Rosemary Hollinger, Associate Director, Division of Enforcement, CFTC
 Hugh Rooney, Senior Futures Trading Investigator, Division of Enforcement, CFTC

WEDNESDAY - OCTOBER 19, 2005**PRACTICAL EXERCISES IN ECONOMICS AND SURVEILLANCE**

- 8:00 – 10:00 **Visit to an Exchange**
The group will be divided into two sections.
Sections will visit either the Chicago Mercantile Exchange or the Chicago Board of Trade.
- 10:00 - 11:15 **How Regulators Use Cooperative Agreements**
This session will be a discussion on the effectiveness of the operational arrangements of the college of regulators overseeing LCH.Clearnet, Ltd. and Euroclear.
- Presenter:** Thomas Kraft, Senior Officer, Market Infrastructure Division, Autorite des Marches Financiers
- 11:15 – 12:30 **An Open Discussion on How the Industry Approaches Multi-Jurisdictional Compliance**
This session will use hypotheticals to focus on some of the issues and problems that arise from multi-jurisdictional compliance matters.
- Moderator:** Ronald Filler, Managing Director, Lehman Brothers Inc .
Panelists: Maureen Guilfoile, Director and Senior Counsel-Futures & Options
 Merrill Lynch Pierce Fenner & Smith Inc.
 Arthur Hahn, Partner, Katten Muchin Rosenman, LLP
 Donald Horwitz, Director of Compliance-General Counsel, Global Futures, ABN AMRO, Inc.
- 12:30 – 2:00 Luncheon
- 2:00 – 5:00 **Asset Management – A Practice Session**
This will be an interactive discussion using hypotheticals to demonstrate real-life market events where multiple regulators and multiple market authorities and intermediaries may need to work together to find practical solutions. Interactive session on regulator, self-regulator and practitioner roles and methodologies during and after a crisis, a loss of confidence, or a specific compliance event, and the tools available to the regulator, the exchanges and firms to address such occurrences.
- Moderator:** Eileen Flaherty, Senior Vice President and Chief Compliance Officer, Harris Insight Funds
- [During this session there will be a break between 3:45 – 4:00 for tea.]

THURSDAY - OCTOBER 20, 2005**INTERNATIONAL STANDARDS AND COOPERATION**

- 9:00 – 10:15 **Proprietary Trading – New Issues for Regulators**
This session will discuss how clearing firms and regulators should address “prop” trading.
- Presenters:** Kathryn M. Trkla, Partner, Foley & Lardner LLP
 Carl Gilmore, General Counsel, Goldenberg Hehmeyer
 John Brodersen, Associate Director, Compliance Department, NFA
- 10:15–10:30 Coffee Break
- 10:30-12:00 **Addressing Scandal – Using Ethics as a Supervisory Tool**
This will be an interactive session on approaching ethical dilemmas that confront regulators, practitioners and market participants.
- Instructor:** John Sanaghan, Director, Professional Conduct Training, Institute for Financial Markets
- 12:00 – 2:00 Lunch – independent of the seminar
- 2:00 - 5:00 **Cross-Border Enforcement Investigations Focusing on Hedge Funds**
This session will describe the investigative techniques and tools used by the CFTC in real-time enforcement and available to foreign authorities engaged in cooperative enforcement efforts. Examples of U.S. enforcement actions with international implications will be used. The session will include interactive discussion of the CFTC's emphasis

on futures and options fraud and of the challenges involved in investigating a hypothetical cross-border manipulation case. Participation and sharing of cross-border examples will be encouraged.

Instructors: Rosemary Hollinger, Associate Director, Division of Enforcement, CFTC
Thomas Koprowski, Senior Futures Trading Investigator, Division of Enforcement, CFTC

[During this session there will be a break between 4:00 – 4:15 for tea.]

FRIDAY - OCTOBER 21, 2005 OPENING MARKETS

9:30 – 10:30 Hedge Fund Activity in Futures Markets

A discussion on managed money trading and price discovery in futures markets to explore whether hedge funds provide liquidity to the other participants and whether hedge fund trading causes price volatility in futures markets.

Presenter: Michael Haigh, Associate Chief Economist, Office of the Chief Economist, CFTC

Commentator: Yvonne Mok, Director, Intermediaries Supervision, Securities & Futures Commission, Hong

Kong

10:30 – 11:15 Outsourcing Regulation

A discussion of the effective use of regulatory resources and cooperation between statutory regulators, self-regulatory organizations and the markets to allow for greater efficiencies, wider regulatory coverage and a reduction in duplicative or misdirected efforts. Delegation of functions, cross training and resource sharing, information sharing and investigative cooperation to ensure that markets and their regulators are effectively meeting their regulatory objectives will also be discussed.

Presenter: Karen Wuertz, Vice President, Strategic Planning & Development, National Futures Association

11:15-11:30 Coffee Break

11:30 – 12:30 Wide Angle Context: The 1869 Gold Corner

The story of the 1869 gold market corner by New York robber barons Jay Gould and Jim Fisk is used to draw insights on the timeless essentials of market abuse and regulation, providing context and perspective for the lessons of the week.

Presenter: Ken Ackerman, Counsel, Olsson, Frank and Weeda, PC

12:30 - 2:00 **Closing Luncheon; Presentation of Certificates to Participants**

2:00 - 3:00 **Tour of the Federal Reserve Bank**

3:00 **Adjournment**

MONDAY - OCTOBER 24, 2005 OPTIONAL WORKSHOPS

Practical sessions with the regulators and self-regulators: on-site workshops at the CFTC on the problems and issues of interest to each symposium participant, such as, contract design, surveillance, enforcement, market oversight, financial and conduct of business oversight, audit, and clearing issues.